

GUIDE TO BEST'S ISSUER CREDIT RATINGS

A Best's Issuer Credit Rating assigned to an insurance company is an independent opinion of an insurer's financial strength and ability to meet its ongoing senior financial obligations. It is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile.

	Rating	Descriptor	Definition
Investment Grade	aaa	Exceptional	Assigned to insurance companies that have, in our opinion, an exceptional ability to meet their ongoing senior financial obligations.
	aa	Superior	Assigned to insurance companies that have, in our opinion, a superior ability to meet their ongoing senior financial obligations.
	a	Excellent	Assigned to insurance companies that have, in our opinion, an excellent ability to meet their ongoing senior financial obligations.
	bbb	Good	Assigned to insurance companies that have, in our opinion, a good ability to meet their ongoing senior financial obligations.
Non-Investment Grade	bb	Fair	Assigned to insurance companies that have, in our opinion, a fair ability to meet their ongoing senior financial obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	b	Marginal	Assigned to insurance companies that have, in our opinion, a marginal ability to meet their ongoing senior financial obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	ccc, cc	Weak	Assigned to insurance companies that have, in our opinion, a weak ability to meet their ongoing senior financial obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
	c	Poor	Assigned to insurance companies that have, in our opinion, a poor ability to meet their ongoing senior financial obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.
	rs	Regulatory Supervision/ Liquidation	Assigned to insurers placed under a significant form of regulatory supervision, control or restraint - including cease and desist orders, conservatorship or rehabilitation that prevents conduct of normal, ongoing insurance operations, or in liquidation by a court of law or by a forced liquidation.

Ratings from "aa" to "ccc" may be enhanced with a "+" (plus) or "-" (minus) to indicate whether credit quality is near the top or bottom of a category.

Rating Modifiers

Modifier	Descriptor	Definition
u	Under Review	Indicates the rating may change in the near term, typically within six months. Generally is event driven, with positive, negative or developing implications.
pd	Public Data	Indicates rating assigned to a company that chose not to participate in A.M. Best's interactive rating process. (Discontinued in 2010)

Rating Outlooks

Indicates the potential direction of a Credit Rating over an intermediate term, generally defined as 12 to 36 months.

Positive	Indicates possible rating upgrade due to favorable financial/market trends relative to the current rating level.
Negative	Indicates possible rating downgrade due to unfavorable financial/market trends relative to the current rating level.
Stable	Indicates low likelihood of a rating change due to stable financial/market trends.

Not Rated Designation

The Not Rated (NR) designation may be assigned to issuers that are not rated.

Rating Disclosure

When assigned to an insurance company the Issuer Credit Rating opinion addresses the relative ability of an insurer to meet its ongoing senior financial obligations. The rating is not assigned to specific insurance policies or contracts, or any other financial obligations, and does not address any other risk, including, but not limited to, liquidity risk, market value risk, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. The Insurer Issuer Credit Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract, or any other financial obligation for a specific purpose or purchaser.

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